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ABSTRACT

The three sections of this document provide: (1) an overview of welfare work requirement policies from 1935 to 1988; (2) a discussion of the education-related provisions included in the Family Support Act of 1988; and (3) a summary of the likely effects of the increasing emphasis on education for welfare recipients. In the first section, the historical context for the work requirements is described, a detailed description of the work-welfare policy in the early 1980s is provided, and the employment and training program experience is explained. The second section contains a description of assessment activities and compulsory education requirements and a report on the increased emphasis on education that is apparent among various state programs. The third section highlights provisions of the Family Support Act of 1988 that might affect education and discusses the population which is subject to mandatory work related requirements under the Act as well as education requirements and participation standards. A brief summary concludes the document. Footnotes refer to 16 publications. (CML)

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EFFECTS OF INCREASED EMPHASIS ON EDUCATION-RELATED ACTIVITIES FOR WELFARE RECIPIENTS

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Federal and state welfare policies typically include employment-related provisions, ranging from some type of work requirement to various employment, training and supportive service programs. Work requirement provisions specify that certain clients are required to either register with a work-related program and/or participate in work-related activities. Employment and training programs consist of counselling, supportive services, job development and/or education or training components designed to help recipients improve their employability. Under the Aid to Families with Dependent Children (AFDC) program, these two aspects of policy are combined; the work requirement is at the center of a system of employment and training activities. In recent years the AFDC work-requirement provisions have broadened to include assignment into unpaid public jobs (i.e., the strictest definition of workfare), and attendance in school (i.e., sometimes called learnfare).

This paper focuses on three aspects of welfare work and work requirement policies that relate to education: education requirements, client assessment, and vocational or basic skills training. Education requirements are particularly relevant at this time because the recently enacted federal welfare reform legislation (the Family Support Act of 1988) includes compulsory education provisions whereby certain welfare recipients can be required to participate in education or training as a condition of their continued eligibility for assistance. First, an overview of welfare work-

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requirement policies and programs up to 1988 is presented, since that experience has implications for how states might approach new education-requirement policies. Next, the education-related provisions included in the Family Support Act are discussed. The final section summarizes the likely effects of the increasing emphasis on education for welfare recipients.

Welfare Work Requirements

A central part of the national welfare system involves work requirements, training and employment programs. Since the enactment of the Aid to Families with Dependent Children (AFDC) program in 1935, welfare recipients have either been encouraged or required to engage in various employment-related activities. Over the years the AFDC work requirement policies have evolved from simply a registration (i.e., paperwork) function, to requiring that clients perform some specific activity, most typically, look for a job. Beginning in the early 1970s, for example, AFDC clients without pre-school age children were required to register and cooperate with the Work Incentive (WIN) Program, which could mean carrying out actions specified in an employability development plan that included basic education, employment, and/or vocational training as goals.

Federal welfare-employment policy has evolved through several phases, with varying emphasis on enforcement of the work requirement versus strategies to assist clients to improve their employability. The shifts reflect an ongoing tension inherent in welfare policy: a desire to help individuals become self-sufficient while assuring that people do not get "a free ride" on welfare at public expense. The historic context is particularly important to consider in terms of how the new education and work provisions under the Job Opportunities

and Basic Skills Program (JOBS) of the Family Support Act might be implemented. State and local agencies will to some extent draw on their past experiences when developing programs under the new act.

Historic Context

In the U.S., as in other countries, from the earliest days of the nation, local governments that provide welfare to destitute persons have often required the recipients to work in exchange for their assistance.[1] Into the twentieth century, such so-called work relief was an accepted policy among state and local governments, primarily for men receiving public assistance. In the 1930s the federal government first became directly involved in public welfare, by enacting the Aid to Dependent Children program as part of the Social Security Act, to provide income to needy widows and children. The program was never expected to include large numbers of individuals. There was no work requirement, presumably because the recipients were mothers with young children; the generally accepted wisdom was that these women should not, or could not, work outside the home.

From 1935 through the mid-1960s, there were wide disparities across states in the types of assistance programs offered for children and their caretakers. Federal legislation in the 1960s gradually transformed the AFDC system into a more national program, although the states continued to retain much authority and to finance about fifty percent of the costs. Beginning in 1962 when federal law allowed (but did not require) states to extend AFDC eligibility to two-parent families (rather than just single-parent families), the role of the federal government increased. Once men were allowed to receive AFDC, then

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1. James T. Patterson, America's Struggle Against Poverty: 1900-1980 (Cambridge, Mass.: Harvard University Press), 1981.

work requirements became an important policy issue. By the end of the 1960s, there were numerous federal regulations governing eligibility provisions, social services standards, work requirements and work incentives. Congress authorized separate work and training provisions in the 1960s and encouraged state welfare agencies to develop compulsory programs for men. But, by 1967, when work programs for welfare recipients had still not become a high priority with states, Congress enacted legislation that required states to operate employment and training programs for this population.[2]

From 1967 up to the implementation of the recently-enacted Family Support Act of 1988, the Work Incentive (WIN) program has been the centerpiece of federal welfare-employment policy under AFDC. The program has been jointly administered by the U.S Departments of Labor and Health and Human Services, and since 1968 every state has been required to operate a program. WIN was created by the 1967 Social Security Amendments, and its primary mandate has been to move AFDC recipients into jobs and off the welfare rolls. A range of services has been available under WIN, including job search assistance, job development and placement, on-the-job training, child care and other supportive services, public service employment, and work experience. Many of these service components (now used by other employment and training programs as well) were in fact tested and developed through research funded by the national WIN program. The specific mix of services provided, though, has varied considerably across states.

Between 1967 and 1981 WIN evolved in three important ways. First, legislative and policy changes gradually shifted the program service emphasis from vocational training and supportive services to job search assistance and

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2. Sar A. Levitan, Martin Rein and David Marwick, Work and Welfare Go Together (Baltimore: Johns Hopkins University Press), 1972.

a priority on immediate placement into unsubsidized employment. Second, legislation transformed WIN from a voluntary program for AFDC recipients in 1967, to a mandatory program for most AFDC adults with school age children, beginning in 1972. Third, primary responsibility for the AFDC work activities gradually shifted from welfare agencies to the state employment security agencies. Welfare agencies had been solely responsible for work programs before 1967, responsible for registration and social services under WIN from 1967 to 1975, and responsible only for providing social services between 1975 and 1981.

The expansion of mandatory requirements in 1972 meant that the WIN and AFDC systems at the state and local levels had to develop the capacity to determine compliance with the requirements and to sanction those clients who do not cooperate with WIN (i.e., reduce their welfare grants). A lengthy adjudication and appeals process and complex administrative mechanisms were developed. The complexity of the adjudication system was partly a result of federal court decisions on cases brought forth on behalf of clients and partly a result of the need to assure that children of noncompliant parents continued to receive adequate income and other benefits. If a mandatory WIN client in a single-parent family does not cooperate, her needs are not taken into account (for the period of the sanction, which varies depending on how many times the person has been sanctioned) when determining the grant amount for the family; the children's needs continue to be considered. Protective payment provisions have been developed whereby the benefits to a family are paid to an outside party (e.g., a relative) or directly to a vendor (e.g., landlord). In a two parent family, if the mandatory client does not cooperate, the entire family is sanctioned.

One ongoing criticism of WIN has been that the program actually serves only a small proportion of all AFDC recipients and of all WIN registrants (e.g., enforces compliance with the work requirement or provides employment and training services). Since 1972, the primary group of AFDC recipients exempt from WIN have been those AFDC mothers whose youngest child is under six years of age. This means that about 65 percent of all heads of AFDC families, or about 1.6 to 1.7 million adults, have been mandatorily required to register and cooperate with WIN. Other recipients who have not been required to register with WIN (e.g., mothers with children under six years of age) may volunteer for services. Thus, the total potential number of WIN participants (mandatory plus voluntary) would be about equal to the total number of AFDC households with adults (about 3.6 million). In 1981 (the last year for which there were national program data) there were 1.6 million WIN registrants. About 25 percent of these were volunteers (400,000), and 75 percent were mandatory (1.2 million). This suggests that WIN was registering about 75 percent of the potential mandatory population (estimated to be about 1.6-1.7 million), and about 13 percent of the potential volunteers (primarily mothers with children under six years of age). The other 25 percent of the mandatory recipients who did not register with WIN presumably were in areas not covered by a WIN program, and therefore exempt. (Although federal legislation requires that each state's WIN program cover the entire state, states have always been allowed to exempt geographically remote areas, as discussed below.)

About 50 percent of the 1.6 million WIN registrants in 1981 were "actively served." The rest were placed in an "unassigned," or holding, category. The services ranged from minimal to intensive and from counselling and testing, to job search training, job development and vocational training. In 1981, about

320,000 of these registrants entered a job and another 20,000 entered subsidized employment, basic education or vocational training, primarily through programs funded under the Comprehensive Employment and Training Act (CETA).[3]

Although one-third of the heads of AFDC families have been mandatorily required to participate in WIN, fewer than one percent have been sanctioned for non-compliance in any given year. Many state and local programs have not emphasized enforcement activities, either because their policy priority is on voluntary participation or because staff make conscious decisions to devote their limited resources on those clients who do want to participate. A secondary reason for limited sanctioning is the belief among administrators and staff that the penalty is not strong enough or long enough to encourage client cooperation.[4]

In part, the limited activity under WIN (the low proportion participating in activities and obtaining employment, as well as the low proportion sanctioned for not cooperating) reflects funding constraints. Federal funding for WIN gradually declined from a high of $385 million in FY 1979 to $92 million in FY 1988. Adjusting for inflation, this represents a 76 percent budget reduction. In FY 1979 total funding (the 90 percent federal funds plus the 10 percent match required of states) translated into about $250.00 for each potential WIN mandatory registrant, or less than $100.00 for each potential registrant (mandatory plus voluntary).

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3. WIN program data in this section are taken from the FY 1981 "WIN Management Information Report," Office of Work Incentive Programs, Washington D.C.

4. Tracey A. Feild, Sabina Deitrick, and Brenda Chapman-Barnes, "The Work Requirement and the Welfare Reform Demonstrations," Washington, D.C.: MPR, Inc. and The Urban Institute, June 1981.

Thus, throughout the 1970s WIN evolved from a program designed to help welfare clients improve their vocational skills to a program that was expected to also enforce the compulsory work requirement provisions that had been incorporated into law. The program never received substantial funding and was criticized for not reaching expectations on either objective.

Work-Welfare Policy in the Early 1980s

National work-welfare policy, the WIN program and employment and training policy have undergone tremendous change in the 1980s, culminating with the Family Support Act of 1988 which eliminates WIN and replaces it with the Job Opportunities and Basic Skills (JOBS) Program, which is discussed below. The Reagan administration first proposed eliminating WIN in 1981 and replacing it with a mandatory program which would require AFDC recipients to work in exchange for their benefits—that is, workfare. Although the Reagan administration's proposals were not adopted by Congress, they sparked substantial new debate about the need to reform the nation's welfare system, particularly the work components.

While the national debate continued, though, the status and funding of the WIN program were totally uncertain, and the available funds gradually declined. The primary response of many states was to reduce the geographic areas covered by WIN, invoking the geographic remoteness provision (for which there is no standard definition). The secondary responses were to (1) adopt one or more of the optional AFDC work programs authorized by Congress in 1981 and 1982 for which states would receive 50-50 federal funding under the regular authority of the AFDC program,[5] and/or (2) appropriate state funds for

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5. The Omnibus Budget Reconciliation Act (OBRA) of 1981 allowed states to adopt the optional WIN single agency demonstration, CWEP and the work supplementation program. The Deficit Reduction Act of 1984 and the Tax

(Footnote 5 Continued on Next Page

work-welfare programs. Which combination of responses a state chose depended heavily on the amount of political priority on this policy area within the state (Governors and legislatures), and the ingenuity of top agency administrators to determine how best to maximize federal resources aside from WIN.[6]

The results of federal policy uncertainty over the past eight years have been dramatic. Perhaps most importantly, there are no national data on the scope of the programs operating. The joint DOL-HHS staff continued to oversee regular WIN programs, but HHS had sole responsibility for all the optional programs available to states, including the single-agency structure WIN demonstration program, the AFDC (or IV-A) job search program, and CWEP. The reporting requirements were not consistent and no standard definitions existed for critical reporting items (such as when a client is counted as a "participant", and what constitutes a "job entry").

In order to document what every state was doing, The Urban Institute conducted a large study in 1986 that involved interviewing a number of state administrators in all 50 states plus the District of Columbia.[7] Several findings are important to note. First, as required by law, every state

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Equity and Fiscal Responsibility Act of 1982 also modified certain aspects of these options and allowed states to operate job search programs for AFDC applicants and recipients. The WIN demonstration was an alternative structure for WIN, the other options were additional programs states could operate with 50-50 funding (rather than the 90-10 funding for WIN).

6. Demetra Smith Nightingale and Lynn C. Burbridge, The Status of State Work-Welfare Programs in 1986: Implications for Welfare Reform, Washington, DC: The Urban Institute, 1987.

7. Demetra Smith Nightingale and Lynn C. Burbridge, The Status of State Work-Welfare Programs in 1986: Implications for Welfare Reform, Washington, D.C., The Urban Institute, 1987.

continued to operate a WIN program, either a regular joint-agency program or the single-agency program option (called WIN Demonstration Program). Second, there was great variation across states in the types of services provided and the geographic areas covered. Eleven states were categorized as comprehensive, based on geographic coverage, range of employment, training and supportive services offered, and state financial or political commitment: California, Connecticut, Delaware, Maine, Massachusetts, Minnesota, New York, Ohio, Oklahoma, Utah and Vermont; all had programs operating in every county in the state. Four other states (Illinois, Maryland, Michigan and Virginia) had comprehensive "models" available, but considerable variation among counties in terms of adopting those models. At the other extreme, though, seven states had very minimal programs: Alabama, Arizona, Hawaii, Kentucky, Louisiana, Mississippi and New Mexico; on average these states had programs operating in areas where only about 40 percent of the welfare population resided.

One result of the federal policy uncertainty has been that states have gained much more autonomy over work-welfare policy and programs. As already implied, many states have taken the initiative to revamp their work-welfare systems and, in some states, their entire welfare system. There is great variation around the country in terms of (1) the emphasis on enforcing mandatory requirements versus encouraging more voluntary participation, (2) the degree to which states are taking the initiative in work-welfare policy versus responding to federal directions, and (3) the types of services offered to clients.

There continues to be an ambiguous tension between provision of employability development services on the one hand and enforcement of the compulsory work requirement on the other. The extent to which states balance

these two objectives varies. Some (e.g., Massachusetts, Vermont, Tennessee and the new Family Independence Program in Washington State) require mandatory clients to register, but their subsequent participation is strictly voluntary. Other states operate more mandatory programs, following lengthy adjudication procedures and imposing limited sanctions. States with strictest mandatory programs are likely to require extended job search activity whereby clients must show that they have made a certain number of job contacts over a specified period of time (e.g., 8 weeks). Most states, though, are somewhere in between: technically their programs are mandatory, but because of limited resources to serve all those who want to participate, few are sanctioned for not participating. As discussed below, it is likely that the diversity in the nature of mandatory activities will continue under the JOBS program.

Employment and Training Program Experience

The federal employment and training system also experienced many changes and numerous demonstration projects serving the potential welfare population were undertaken during the 1970s and 1980s.

Most importantly, in 1983, CETA was replaced with the Job Training Partnership Act (JTPA). Like CETA, JTPA funds the whole range of employment and training programs including remedial education, job search assistance and vocational training. The only service specifically prohibited under JTPA is subsidized public service employment. Compared to CETA, JTPA training programs are primarily serving those persons who are economically disadvantaged but motivated enough and educated enough to move into jobs, or upgraded jobs, with minimal assistance.[8] Because of funding limitations

8. For example, an analysis by Westat, Inc., "AFDC Recipients in JTPA," (Rockville, MD: Westat, Inc., 1986) indicates that AFDC recipients in JTPA have higher levels of education than AFDC recipients as a whole (although lower than other JTPA participants).

(JTPA has about half the funds that had been available under CETA), it has been estimated that JTPA can only serve about 3 percent of all those who are eligible.[9] About 152,000 AFDC recipients were enrolled in JTPA training (Title II.A) in 1984, compared to about 290,000 participating in CETA in 1981. About half of these AFDC recipients had children under six years of age, one-quarter had older children only, and the rest were AFDC dependents of other (non-AFDC) family members. Some of the AFDC participants in JTPA may be subject to the compulsory WIN work requirement, but there are no available data on how many welfare clients are being required to participate in JTPA.

For many reasons, including funding limitations and employment-based performance standards, JTPA has become selective in terms of accepting applicants into training. For example, many training contractors require participants to read at the eighth or ninth grade level. By the mid-1980s, most JTPA programs were administering reading and math tests to applicants before assigning them to training components. Anecdotal reports suggested that in some communities, over 90 percent of the AFDC clients referred to JTPA in the first two years of the program were rejected because they did not meet basic competency requirements.[10]

In 1984, JTPA was serving only about ten percent of all AFDC recipients fourteen years of age or older. Those AFDC recipients in JTPA had a slightly lower level of education than other JTPA participants (55 percent had at least a high school equivalency or diploma compared to over 60 percent of non-

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9. Allan H. Hunt and Kalman Rupp, "The Implementation of Title II.A of JTPA in the States and Service Delivery Areas: The New Partnership and Program Directions," Undated paper presented at the 1984 Winter meetings of the Industrial Relations Research Association.

10. Demetra Smith Nightingale, "Federal Employment and Training Policy Changes During the Reagan Administration: State and Local Responses" (Washington: The Urban Institute), 1985.

welfare participants), and were more likely to receive classroom training (which includes basic and remedial education as well as vocational training) than on-the-job training. Although their average length of stay in JTPA is longer than other participants, AFDC clients are less likely to complete JTPA in a "positive" manner: over 40 percent of the AFDC enrollees become non-positive terminations (e.g., they do not complete the education or training, do not find jobs, do not return to school) compared to 29 percent non-positive termination for other JTPA enrollees.[11]

There is some indication that JTPA programs are increasing their service on welfare recipients, both because the legislation emphasizes this group by requiring DOL to establish specific performance standards for welfare recipients and because national DOL officials and advisory groups have increased their focus on the most disadvantaged population groups. There is evidence that over the past two years, the summer youth program, for example, has nearly doubled the number of participants receiving remedial education services along with paid jobs; with most remedial education being provided through the public schools, either with JTPA funds or education funds.[12] A national task force has recommended separating JTPA into adult programs and youth programs, to increase the service to disadvantaged youth, and developing more direct targetting criteria to serve certain groups including welfare recipients and high school dropouts. If this direction continues, it is likely that JPTA would serve more young mothers on AFDC and more teenage dependents from welfare families.

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11. Westat, Inc., "AFDC Recipients in JTPA" (Rockville, Maryland: Westat, Inc.), 1986.

12. U.S. General Accounting Office report on the Summer Youth Program, GAO/HRD 88-118, Washington, D.C. October 1988, as reported in Employment and Training Reporter, Octboer 12, 1988.

Education-Related Policies for AFDC Recipients

There is a growing realization that AFDC recipients have very low educational levels and that their educational deficiencies must be overcome if they are to become self-sufficient. An Educational Testing Service study of a national sample of WIN registrants in 1981 found that forty-four percent read below the ninth grade level.[13]

This public recognition of educational deficiencies has had a profound effect on welfare policy both nationally and in the states. First, several state work-welfare programs, like California, now include reading and math tests as part of their client assessment. Second, some states have expanded the traditional work requirement provisions to include education requirements for those clients without high school diplomas or equivalencies. Third, many states have increased their emphasis on education, particularly remedial education, for welfare recipients, even though they may not have adopted the compulsory education requirements.

These educational developments in the work-welfare area are rather recent, and there are few reports about the numbers of persons participating in the education-related activities, or their effectiveness. But some preliminary information is becoming available about the implementation of (1) client assessment, (2) compulsory education, and (3) increased emphasis on basic and vocational education.

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13. Marlene Goodison, Testing Literacy Levels in the WIN Population, Center for Occupational and Professional Assessment, Educational Testing Service, Princeton, New Jersey, 1982.

Assessment

State and local work-welfare programs since the 1960s have included client assessment components as part of their service delivery system. Traditionally the assessment has focused primarily on the need for social services such as child care. Since resources for child care have been quite limited, the assessment served a somewhat perfunctory purpose in most programs: to either identify those persons who would receive the limited subsidies for child care and/or exempt those without child care from further employment or training requirements. A secondary aspect of the assessments has involved testing an individual's educational competency and occupational interests. The most common tests administered in WIN, CETA and JTPA have been the BOLT and GATB series and the Occupational Interest Inventory, generally administered by local staff from the employment security agency, or Job Service.

As noted above, by the mid-1980s, a new trend was developing: employment/training and work-welfare programs began more routine testing of clients' ability in reading and mathematics. To some extent this reflected a need to better screen those persons who might be accepted into JTPA training programs (which often had basic education requirements for entry), but it also grew out of the growing recognition, even in the public and popular press, of the low levels of literacy in the nation and the low basic competency levels of welfare recipients. The new priority placed on basic education also benefits from a concern about improving the economic competitiveness of the U.S. in the future as the structure of the labor market and the demographic composition of the labor force shifts.[14]

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14. See for example, Gordon Berlin and Joanne Duhl. "Education, Equity and Economic Excellence: The Critical Role of Second Chance Basic Skills and Job Training PRograms." New York: The Ford Foundation, 1985; and Erik

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By the end of 1986, at least two large AFDC work-welfare programs, those in California GAIN and New York State, were testing the reading and mathematics competency levels of all participants. In addition, by 1988, selected local work-welfare projects including those in Philadelphia, some sites in Florida, and Washington D.C., were administering tests to large numbers of AFDC clients; and other state welfare programs were considering doing so (e.g., Texas, Maryland, Kansas, Ohio). The little data that are becoming available confirm the earlier findings that welfare recipients have low competency levels. Early data from the California GAIN program indicate that the educational deficiencies are severe; about 60 percent of all program participants are being assessed as needing remedial education.[15] Similarly, information from the Philadelphia Saturation Work Program indicated that for clients without pre-school children, the average reading competency was at about the fifth to sixth grade level and the average math competency was at about the fourth grade level.[16]

The institutional implication of the expanded use of reading and math tests in work-welfare programs is that more clients are being referred to public adult education programs (for either GED preparation classes, basic remedial education or English-as-a-second language classes) and to literacy groups such as Literacy Volunteers of America and Laubach Literacy. The

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P. Butler and Andrew Hahn with James Darr. The Literacy-Employment Equation and Education for Tomorrow's Jobs: A Policy Options Monograph. National Adult Literacy Project: A Joint Project of Far West Laboratory and the Network, Inc, 1985.

15. John Wallace and David Long, GAIN: Planning and Early Implementation, New York: Manpower Demonstration Research Corporation, June 1987.

16. Demetra Smith Nightingale, "Assessing the Employability of Welfare Clients," The Urban Institute, Washington D.C., 1986.

number of persons referred, though, will vary depending on whether there is a formal or informal commitment by the program to address the educational deficiencies before attempting to address the client's employment or vocational barriers.

Compulsory Education Requirements

Perhaps an obvious outgrowth of the literacy initiatives and priorities is the recent increase in the number of work-welfare programs that have expanded the traditional work-requirement provisions to include education requirements. The first notable compulsory education requirement plan for AFDC recipients was the Learnfare proposal developed in 1987 by Missouri, and later considered or adapted by other states including Wisconsin, Ohio and Florida. The learnfare concept once again reflects the desire to assure, on the one hand, that welfare recipients fulfill some obligation as a condition of their eligibility for assistance and, on the other hand, address the very severe educational deficiencies of the welfare population in general. This dual policy focus is consistent with the historic trend in work requirements for AFDC clients, as discussed above. In Ohio and Wisconsin, the education requirements apply to teenage parents on AFDC who do not have a high school diploma or equivalency, while the Missouri provision applies only to those without children under six years of age.

Although it makes intuitive sense to require those welfare clients who have not attained a high school education to do so, it is not clear that implementing such a requirement would be straightforward, nor that this would improve the employability of those individuals. First, the public education system in most jurisdictions is not designed to serve large numbers of students with young children and the special circumstances they face (e.g.,

illness of the child, day care disruptions). Second, the welfare agencies would presumably be responsible for administering and monitoring compliance with the education participation requirements, but few jurisdictions have established procedures for welfare departments and schools to exchange information on individuals. Third, traditional educational programs may not be adequate to fully address the educational deficiencies of some welfare clients; new curricula and/or programs might have to be developed if remediation (and not just participation) is a desired outcome.

There is also growing anxiety about what types of educational activities are needed to improve employability. There have been few research studies about the link between improved basic educational competency for adults and their labor force activity; most education-employment research has focused on youth. The immediate reaction of agency staff in Philadelphia and in some counties in California has been to refer educationally deficient clients to remedial education, usually publicly-funded classes through the local education agencies. But, it is not at all clear whether this is appropriate in terms of increasing employability. There is some concern that the longer a person remains out of the labor force, the more difficult it will be to return. If a client is participating in remedial education for a year or more, without also participating in some work-related activity, his/her employability skills may actually deteriorate.

There is still very little information, beyond the anecdotal, about the scale and effectiveness of education requirements. However, large-scale evaluations of welfare reform demonstrations in Ohio and Wisconsin will include extensive analysis of the education requirement provisions, and data will become available over the next few years. Anecdotal reports, though, suggest that, as might have been expected, major implementation issues have

arisen because of the limited prior linkages between the welfare system and the public education system and the different mandates of the two lateral institutional networks. For example, beyond the inevitable difficulties of establishing mechanisms for exchanging information on individuals, there is some concern that school staff (e.g., teachers) may be reluctant to report information that might jeopardize a family's only source of income. Unofficial sources in both Missouri and Wisconsin suggest that there are procedural problems related to exchanging information about students and reluctance among some teachers and school administrators to report negative information (e.g., non-attendance) to the welfare departments.

It is too soon to say whether these interorganizational implementation issues will be resolved over time, but some insight is provided by the Youth Incentive Entitlement Pilot Projects (YIEPP) of the late 1970s. Although the YIEPP population was quite different from the AFDC population (e.g., 55 percent of YIEPP participants had completed at least the 10th grade education and only 6 percent had children) the program experience is relevant to recent learnfare initiatives. There were concerns in the area of youth employment policy in the 1970s that work experience alone was not sufficient to help improve the employment status of disadvantaged youth, and that a high proportion of out-of-school youth failed to complete remedial education programs begun. The underlying concept of YIEPP was to address these problems by providing disadvantaged youth aged 16-19 with paid jobs (part-time during the school year and full-time during the summer), on the condition that they remain in school. According to the evaluation, perhaps the most difficult aspect of YIEPP involved the coordination between schools and the program

administrators.[17] First, schools were not particularly interested in recruiting or serving dropouts; second, it was difficult to establish and enforce school performance and attendance standards.

The YIEPP standards required schools to report three types of information on each participant: enrollment status, attendance and grades. The differences in school year schedules, time lags and the reluctance of schools to report negative information were all cited as reasons for the interprogram reporting problems. YIEPP had some success at encouraging youth to stay in school and not drop out; there was no positive effect, though, for youth who had already dropped out. Regardless of prior school status, the 16 year olds were more interested in staying in or returning to school; older youth (17-19 year olds) were more interested in working and had a lower school retention rate than the younger group. It is not clear whether guaranteed jobs were not adequate incentives for dropouts and older youth or whether the school systems were not as effective at serving certain groups.

Thus, YIEPP's experience suggests (1) there may be inherent tensions between education and other agencies (e.g., welfare) that reflect very different mandates and that could take considerable time to overcome; and (2) younger individuals may be more likely to remain in a public school program if incentives (e.g., maintaining their welfare grant) are increased, but dropouts, especially those above age 17, may be less likely to respond.

A program variation that combines the YIEPP incentive model with the compulsory education model is being tested by Ohio through their Project Learn wich requires all teenage AFDC parents to be in school if they do not have a

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17. William A. Diaz, Joseph Ball and Carl Wolfhagen, Linking School and Work for Disadvantaged Youths--The YIEPP Demonstration: Final Implementation Report, New York: Manpower Demonstration Research Corporation, December 1982.

high school diploma or GED. The school participation may be either for basic skills (e.g., public school, remedial program, GED class) or vocational skills. The state pays for child care plus increases the welfare grant by $62 a month as long the client remains in school. During the summer months, a summer youth job is provided through JTPA. If the client does not comply, the grant is reduced by $62 a month. The results of the Project Learn evaluation (being conducted by MDRC) will contribute greatly to a better understanding of the complicated interaction of sanctions and incentives.

Increased Emphasis on Education

While a few states, as discussed above, have responded to the concerns about low educational levels by requiring welfare clients to return to school, others have responded by increasing their emphasis on education without formal participation requirements. Some state work-welfare programs have shifted priority away from enforcing the work requirement (e.g., by requiring job search) and toward encouraging remedial education, vocational education and even post-secondary schooling. Connecticut, Iowa, Maine, Massachusetts, Vermont and Washington State are among those that have refocused their work-welfare programs on education and training.

Washington State, under the new Family Independence Program (FIP) provides financial incentives combined with supportive services to encourage welfare recipients to participate in education or training or enter employment. The cash assistance grant includes a 5 percent bonus per month if the client participates in education or training, a 15 percent bonus if he/she is employed parttime and a 35 percent bonus if employment full time. The FIP evaluation (being conducted by The Urban Institute) will provide information

about the effect of such incentives and the increase in voluntary participation in education and training activities.

Other states, including Massachusetts, Vermont, and Tennessee have increased the financial and programmatic integration of the work-welfare programs and JTPA to emphasize education (basic and vocational skills) for welfare clients with voluntary provisions. The assumption is that by providing necessary intensive supportive services, especially child care, plus staff counselling and guidance, welfare clients will choose to voluntarily participate in work and education related activities that will improve their employability and subsequent self-sufficiency. In Massachusetts in 1987 over 60 percent of the participants were in basic or vocational education; and in Tennessee the number of AFDC clients in JTPA (basic and vocational training) increased by 20 percent between 1986 and 1988.[18]

Accompanying the recognition that many welfare clients lack basic skills, as well as work experience, there are numerous special programs and demonstrations targetting multiple services on young parents. For example, the Rockefeller Foundation's Minority Single Female Heads of Household Projects, MDRC's New Chance Projects and the Department of Labor's Teen Parent Employability Development Projects all include a combination of basic education, child care, parenting skills instruction, counselling and vocational training.

Unfortunately, there are few statistics available on the programs described in this section. Most are being subjected to comprehensive evaluations, though, and data should become available within the next several months. It is clear, though, that state and local welfare and work programs

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18. Massachusett and Tennessee data are based on program reports provided by the Massachusetts ET Choices program and the Tennessee JTPA program.

are increasingly focusing on education-related activities, and that the program approaches include mandatory and voluntary models, as well as hybrid models that combine education and work requirements with financial and personal incentives.

Education Activities Under Welfare Reform[19]

The new Family Support Act continues (and expands) the work requirements that have been part of AFDC policy since 1972 and also reflects the growing concern about educational deficiencies, particularly among young economically disadvantaged persons. In a very real sense the legislation is based on the policy directions and initiatives developed at the state level over the past several years, including many of those discussed in the preceeding section. The JOBS provision of the Act refocuses federal welfare-employment policy by emphasizing the provision of education services (as well as training and employment) to alleviate long-term dependency. The intent is to encourage more states to design programs that include comprehensive activities for a broader segment of the AFDC population. The JOBS program is complemented by expanded emphasis on child support and increased funding for child care and medical assistance.

The bill authorizes a capped annual amount of funds for the JOBS program through fiscal year 1995; up to $600 million for FY 1989, $800 million for FY 1990, $1.0 billion for FY 1991-1993, $1.1 billion for FY 1994 and $1.3 billion for FY 1995. This means that these are the maximum federal levels of fundings that can be distributed to states; the actual funding will depend on state

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19. This section is not intended to fully analyze the Family Support Act, but rather to highlight those provisions that might affect education activities.

requests for reimbursement according to the various matching rates for different activities (e.g., 40 percent state match for personnel and non-administrative costs, 50 percent state match for other administrative costs). In addition, states can receive 60 percent matching from the federal government for child care, with no cap on the amount of federal funds that can be expended.

Perhaps the most significant feature of the JOBS provision is the amount of discretion left to states. Federal regulations have not yet been issued and it is likely that HHS will place some requirements and restrictions on states. However, the legislation clearly places primary responsibility with states. Congress has enacted a framework for work and education requirements, employment, training, testing, assessment and supportive services; but states will make many key decisions that will determine whether the new policy will represent a major change from past federal policies. Most importantly states will determine how much of the potential federal funds will be used; the federal government will match state funds for various activities up to each state's "capped" entitlement amount.

The legislation technically requires those AFDC recipients under 20 years of age to participate in education activities if they lack a high school diploma or equivalency. It also specifies that if a client has an educational deficiency, education activities must be included in the program plan. However, the legislation leaves states considerable discretion: these requirements apply only to the extent that "state resources permit"; states can exempt clients under 18 from the compulsory education requirement; if a client's employment goal does not require more education, it need not be part of the plan; training and education programs initiated by the client ("self-initiated") are not reimbursable by the federal government. Preliminary

regulations to be issued by HHS in April of 1989 will presumably clarify some of this conditional provisions, such as defining "self-initiated" and specifying HHS policies for approving state requests for waivers. However, it is perhaps safe to assume that states will retain considerable discretion in designing the education-related components of the JOBS program, particularly since states will be contributing a large share of the funds.

Thus, the Family Support Act clearly emphasizes education for welfare recipients and restores federal funding for work-related programs. But the amount of funding and the nature and degree of emphasis on education (and other services) will depend on state priority and funding. Regardless of how a state proceeds in designing JOBS, education-related activities are likely to receive more attention than in the past. Three provisions are particularly relevant when considering how states might proceed and how they might vary in terms of their JOBS program: (1) the mandatory JOBS population, (2) the education-related requirements, and (3) the performance and participation standards.

Mandatory Population

The Act broadens the categories of AFDC clients who are subject to mandatory work-related requirements. The major change is that those parents with children over three years of age must register with the JOBS program; the prior WIN requirement applied to those with children over six years of age. States may also require mothers with children between one and three years old to participate if adequate day care is available. As noted above, the WIN provision covered about one-third of all adult AFDC clients, which in 1981 meant about 1.6-1.7 million persons. The new age of youngest child provision and the expansion of AFDC eligibility to two-parent families in all states

will increase the number of persons subject to the JOBS requirement. There are no precise statistics yet on how many additional individuals are affected, but rough estimates suggest that about 2.0 to 2.5 million persons will be mandatorily required to participate in JOBS (excluding any state mandates for teen parents with children younger than three years of age). This is based on (1) the estimated number of AFDC mothers whose youngest child was between 3 and 5 years of age in 1987; (2) the estimated number of AFDC mothers whose youngest child was over six years of age; and (3) an estimated six percent increase in total cases in those states that currently do not have the two-parent component (AFDC-U).

All unemployed parents in two-parent families would be subject to the JOBS requirement. Prior to this act, states had the option of offering the two-parent component, and 26 states plus the District of Columbia had done so as of 1987. In states that currently cover two-parent families, such families represent about 6 percent of all AFDC cases, although this varies by state, generally reflecting overall unemployment levels (for example, in Massachusetts, less than 2 percent of the caseload are two-parent families). This provision may increase the number of unemployed parents on AFDC by about 60,000 nationally. But states that presently do not offer the unemployed parent component may experience a caseload increase greater than 6 percent since they tend to have higher than average unemployment rates. Counterbalancing this increase, though, these states will have the authority to limit the eligibility of a two-parent family to six months in any twelve month period.

Thus, the two expansions of the work requirement population involve mothers with children between 3 and 6 years of age and unemployed parents in those states that do not already provide eligibility to two-parent families.

The total potential mandatory JOBS population may be between 2 and 2.5 million persons per year, or about 25 percent more than had been subject to the WIN requirements in 1981.

Under the JOBS program, the mandatory clients described above will be subject to similar requirements as had existed under WIN. All the traditional services will be allowable under JOBS, including job search assistance, remedial education, skills training, job development, on-the-job training, work supplementation/grant diversion, and community work experience.

A consensus has been forming over the past decade that any welfare-work program must include a broad range of services and ideally should include some mandatory requirement. The JOBS program reflects this consensus. However, below the surface of consensus, there is less agreement about what the requirement should be. For example, a mandatory requirement can take different forms, from simple work registration, to job search requirements, to active participation in education or training, to workfare.

To some extent the debate about the work requirement is directly related to the controversies about the role of day care. Some proponents of stricter work requirements suggested before the Family Support Act that federal policy that waives the work requirement for mothers with very young children is out of step with social reality since most mothers, even of young children, now are in the paid work force. However, since 1981, states have been encouraged to require more mothers with children under six years of age to participate in work activities, but few have done so partly because their programs cannot service all those who fall under the regular mandatory provisions. The Family Support Act provides open-ended 50-50 federal funding to states for day care for JOBS participants, and requires states to provide day care if it is needed. However, states will continue to have discretion in terms of how they

determine a client's need for child care and how much state funding can be devoted to child care. The compulsory requirements under the JOBS program clearly conveys Congress's intent to provide day care, but states will continue to make final policy decisions on both the extent to which the compulsory requirements are enforced and the amount and type of day care provided.

Education Requirements

In addition to the legislatively mandated JOBS population, the Family Support Act also states that all custodial AFDC parents under age 20 who do not have a high school diploma or equivalency must be required to participate in education activities. However, the Act stops short of clearly mandating education activity. No federal funding under the act can be used for self initiated education or training activities; only the associated day care costs would be reimbursed by the federal government. There is an ongoing concern in Washington that federal funds should not be used to substitute for state or local funds (such as elementary/secondary or adult education). For example, if a client is already enrolled in school or training, JOBS funds cannot be used. This means that the federal government probably will encourage states to use existing education and adult education resources; the act states that education requirements must be implemented, but conditions this upon the availability of state resources. States may also waive the education requirement for parents under 18 years of age; the primary target group is 18 and 19 year olds.

There has been much concern about this population because research has shown that a significant proportion of long-term welfare recipients begin their stay on welfare as teenage parents. There is, however, some evidence

that the proportion of teen parents on AFDC has declined slightly since 1985 when it peaked at about 8 percent. In 1986, it is estimated that about 3 percent of all AFDC cases included a teenage parent.[20] Assuming that all of these have children under 3 years of age and that all lack a high school diploma or equivalent, at most, this provision would mean 125,000 parents under 20 years of age could be required to participate in education activities. This is obviously a high estimate, since many have children over three years of age (and therefore subject to other JOBS provisions) and/or a high school diploma (and therefore exempt from education requirements), and since some states will focus only on those 18 and 19 years of age.

Thus, the bill certainly supports the growing recognition that many AFDC clients have educational deficiencies and that those deficiencies should be addressed, but each state will, apparently, have substantial discretion over how strictly the education requirements will be implemented and what age groups will be affected.

The second education-related requirement in JOBS is client assessment. The program plan must include some form of preliminary assessment of client employability that results in an employability development plan. Previous work-welfare programs have included client assessment activities, and over the past several years, many WIN, WIN demonstration and JTPA programs have designed more structured assessment components. As noted earlier, some states like California require testing as well as traditional social service assessments and the results of the assessments become part of a "contract" between the client and the agency that specifies the employability development

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20. U.S. Congress, House Ways and Means Committee, Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means, March 1988 edition.

plan that will be followed. The WIN employability plans were precursors to the current assessment packages and client contracts.

There has been some amount of discussion and controversy about the use of contracts and the role of case managers, or staff assigned to work with and follow through on specific clients. Underlying much of the debate are two issues. First, there is some concern that although contracts may be useful in clearly establishing responsibilities and obligations of both the client and the agency, they may be used unfairly against the client to institute sanctioning too quickly without adequate hearings or appeals. Second, the use of contracts and individual case managers, while assuring client-oriented individual services, also increases the administrative costs of a program in terms of paperwork and professional counselling staff. In some ways the debate parallels the historic tension between assuring compliance with the work requirement and providing real services and assistance.

The JOBS program, like WIN, requires the welfare agency to conduct an assessment of each participant's "educational, child care and other supportive services needs," considering prior work experience, skills and family circumstances. The assessment then is to be used to develop an employability plan. Several welfare reform proposals would have required testing all clients and developing "social contracts." The final legislation allows, but does not require, such activities. The employability plan is not to be used as a legal contract, but states can require formal agreements subsequent to the employability plan as long as steps are taken to assure that the client understands all provisions. The assessment can, but need not, include formal testing of reading and math.

Thus, the Family Support Act makes no real change in the assessment or case management provisions of the work-welfare programs; the legislative

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language for JOBS is similar to WIN. States will continue to have discretion in terms of requiring testing, contracts or case managers, but the act does not require these activities. Presumably, though, more states will consider formal testing of reading and math and placing more emphasis on remedial education. Some states may contract with outside entities (non-profit or for-profit) to conduct the testing and formal assessments, others may development formal or informal, financial or non-financial arrangements with the education agencies (e.g., local education agencies or community colleges). The insitutional arrangements as well as the extent and nature of testing will vary considerably.

Participation Standards

The JOBS program will also include performance and participation standards that states will be expected to attain. Performance standards have become routine in many education, vocational education and JTPA programs, and the JOBS program follows this recent trend. In theory, standards imply that programs will be held to some level of performance related to "success". By October 1991, HHS must submit recommended JOBS performance standards to Congress. The JOBS standards, like JTPA's, must address "reasonable" outcomes related to increased earnings, self-sufficiency and, reduced welfare dependency.

Perhaps more immediately significant, are the JOBS participation standards. In the JOBS program, the participation standards are actually quite minimal. The computation will be somewhat complex, but simply stated will require states to "actively" serve certain percentages of those clients "required or allowed" to participate. The JOBS participation rates are set by law at 7 percent for FY 1989 and FY 1990, 11 percent for FY 1991 and FY 1992,

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15 percent in FY 1993, and 20 percent in FY 1994. Participation must mean more than simply registering, but forthcoming federal regulations may include more specific definitions. For example, it is not yet clear whether assessment or testing will "count" as participating.

In fact, these are quite modest when one considers the level of WIN activity summarized in the previous section. In FY 1981, WIN "actively" served 50 percent of the program's registrants, and about 21 percent entered employment. Even if one were to argue with the extent or quality of the services provided, the experience under WIN in all states was more than adequate to meet the participation standards included in the Family Support Act for the new JOBS program unless HHS restricts the definition of participation to specific activities.

Summary

Since 1972 about one-third of all AFDC adults have been subject to the compulsory work requirements; the recent Family Support Act continues the work requirement provision and expands it to include participation in education activities. There has historically been a tension in federal work-welfare policy between enforcing the mandatory work requirements on the one hand and providing meaningful employability services to clients on the other hand. Between 1981 and 1988, national work-welfare policy was in a total state of uncertainty and federal funding declined by about 70 percent (adjusting for inflation). Nationwide there was serious debate about welfare reform centered around the work and work-requirement provisions. In part the desire to reform welfare grew out of the frustration with the limited activity and impact of

the WIN program, both in terms of the proportion of clients who received training and jobs and the degree of enforcement of the work requirement.

While the debate continued nationally, many states were able, through a combination of fiscal creativity and political leadership, to keep their work-welfare (i.e., WIN and WIN demonstration) programs operating. In many states, though, the work-welfare system was almost entirely dismantled. Based on the discussion in the first section of this paper, it can be anticipated that there will continue to be variation across states in how they proceed with the JOBS program and compulsory requirements: (1) those states that have already increased their emphasis on education will probably continue to do so; (2) some of those states that have not placed high priority on work or training programs for welfare clients will not make major changes unless HHS regulations mandate that they do so; and (3) several states will embark on new policy planning and program design that might include increased education activity in terms of client assessment and testing and/or compulsory education requirements.

The Family Support Act is clearly not the major overhaul of welfare as it is sometimes labelled, but it does represent several important changes. First, federal welfare policy for the first time emphasizes providing services to help clients improve their education and employability status to avoid long-term welfare dependency. This is a major shift in federal priority from the traditional emphasis on income maintenance. Second, under the JOBS program, the funding for work programs is restored. By 1994, up to 1 billion dollars in federal funds will be available for the employment, training and education activities under JOBS. If the entire amount up to the capped entitlement is allocated to the states, this would eventually represent a modest increase over the $400 million for the WIN program at its peak in 1979

(once adjusting for inflation). Third, Congress allows for open-ended 50-50 federal funding to states for day care for welfare clients participating in education, employment or training activities.

However, the new act does little to address the historic tension between enforcing mandatory requirements and providing employability assistance and "side-steps" many important issues such as clear and direct education requirements for those clients without high school diplomas and guaranteed child care. In addition, the real decisions about the scale of the JOBS programs, the nature of the work requirements and the emphasis on education requirements will be made by states. State legislatures will become critical to these decisions since the amount of state funds for JOBS activities will determine the amount of federal funds each state will receive. The Family Support Act provides the framework for a comprehensive and large-scale work program, and encourages (but does not unambiguously require) states to go beyond what they have been required to do since 1972 under WIN. The challenge for state welfare agencies in coordination with JTPA and education agencies will be to take full advantage of the federal program and funding framework to design and implement programs that are consistent with state policy priorities. In some states this will undoubtedly mean increased basic and vocational education activities.